



SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

LABOR FORCE AND EMPLOYMENT

Recent layoffs and the closure of area schools bumped the Pocatello Metropolitan Statistical Area's unadjusted unemployment rate up six-tenths of a percentage point from June's revised rate of 4.4 percent to July's preliminary rate of 5.1 percent. The rate edged up two-tenths of a percentage point year-over-year from the July 2000 rate of 4.9 percent.

Nonfarm Payroll Jobs declined by 770 in July. Most job reductions were in *Local Government Education* (660) because schools closed for summer. The remaining job reductions, which occurred in *Retail Trade* (140) and *Finance, Insurance, & Real Estate* (30), followed normal seasonal patterns as *Retail Trade* fell between the busy spring and school shopping seasons, and finance institutions experienced normal job fluctuations.

Year-over-year, *Nonfarm Payroll Jobs* declined by 260. Most job losses were in *Construction* (100), *Manufacturing* (270), and *Government Education* (160) because of fewer major construction projects throughout the area, job reductions at American Microsystems and Astaris and lower enrollment numbers at local schools.

SPECIAL TOPIC:

Business Roundtable

The Pocatello Job Service has implemented quarterly Business Roundtables, designed to educate area business professionals on a variety of employment-related topics. These events also provide an opportunity for roundtable discussion of employment-related issues between Job Service professionals and area businesses. In August, the topic was "Lowering Business Costs through Good Hiring and Retaining Practices" and covered the following subjects: Costs Incurred from Losing Productive Workers; Knowing the Labor Market in Which Your Business is Competing; Main Reasons Workers Leave or Stay with an Employer; Local Job Seeker Survey; and Hiring and Retention Best Practices.

Costs Incurred from Losing Productive Workers

- Costs include productivity costs, separation process costs, customer/quality costs, and recruitment, hiring, and training costs.

Southeast Idaho Table 1: Labor Force & Employment
Pocatello City MSA (Bannock County)

	July 2001*	June 2001	July 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	40,420	40,320	39,730	100	0.2%
Unemployment	2,050	1,770	1,960	280	15.8%
% of Labor Force Unemployed	5.1	4.4	4.9		
Total Employment	38,370	38,547	37,770	-177	-0.5%
Unadjusted					
Civilian Labor Force	39,120	39,480	38,430	-360	-0.9%
Unemployment	1,920	1,690	1,780	230	13.6%
% of Labor Force Unemployed	4.9	4.3	4.6		
Total Employment	37,200	37,790	36,650	-590	-1.6%
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	31,500	32,270	31,760	-770	-2.4%
Goods-Producing Industries	4,320	4,290	4,690	30	0.7%
Mining & Construction	1,660	1,640	1,760	20	1.2%
Manufacturing	2,660	2,650	2,930	10	0.4%
Service-Producing Industries	27,180	27,980	27,080	-800	-2.9%
Transportation, Comm., & Utilities	1,820	1,810	1,890	10	0.6%
Wholesale Trade	1,450	1,440	1,390	10	0.7%
Retail Trade	6,920	7,060	6,840	-140	-2.0%
Finance, Insurance, & Real Estate	1,490	1,520	1,450	-30	-2.0%
Services	8,150	8,150	8,090	0	0.0%
Government Administration	3,580	3,570	3,490	10	0.3%
Government Education	3,770	4,430	3,930	-660	-14.9%

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

- The U.S. Department of Labor estimates the cost of replacing an employee at 1/3 of a new hire's salary. In the Southeast Idaho Labor Market, that would equate to:
 - Manager/Top Executive \$9,780 - \$18,644
 - Office Clerks/Receptionists \$5,236 - \$9,249
 - Telemarketers \$3,941 - \$10,791
 - Food Process Workers \$4,785 - \$8,733
 - Overall Average \$7,772

Knowing the Labor Market in Which Your Business is Competing

- The Southeast Idaho area has a young population when compared to the state and U.S. population. The local population is more diverse in ethnicity and religion than most of Idaho but much less diverse than the U.S.
- Per Capita Income is lower than the Idaho and U.S. Average. Cost of living is 90 percent of the national average and wages are 69 percent of the national average.
- Educational attainment of the labor force is fairly high.
- The labor force has grown 25.9 percent, employment has grown 28.6 percent, and the unemployment rate has dropped from 6.5 percent to 4.3 percent over the last 10 years.
- Many people not participating in the labor force would like to work, under-

employment is high, and there is a high percentage of multiple-job-holders. Currently, there is a fairly low demand for workers.

- Area employers rate skills, productivity, and work ethic of workers high. Turnover and absenteeism is low to moderate.
- Cost of labor is low for most occupations when compared to other areas. Average annual earnings are below state and national average.

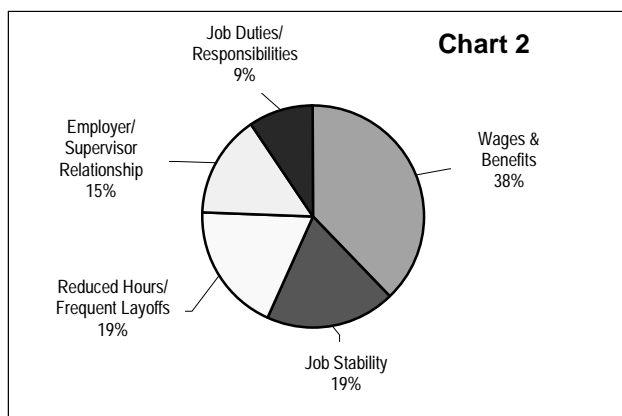
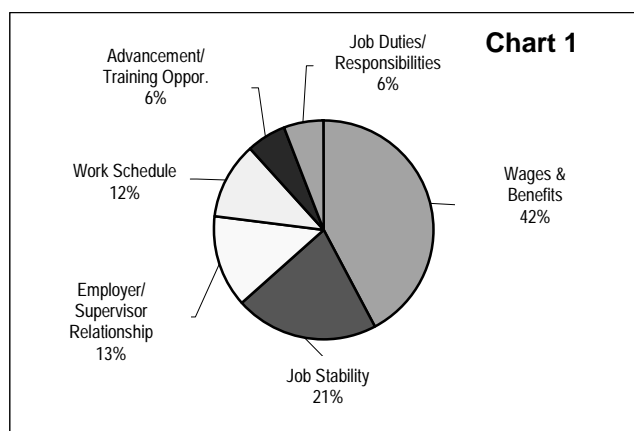
Reasons Workers Leave or Stay with an Employer

Reasons vary depending upon many factors, such as:

- Older workers (55 +) – pay raises and retirement plans.
- Baby Boomers (37-55) – family-friendly policies, flexible benefits packages.
- Gen X-ers (19-37) – career development, money, ability to enjoy free time.

Local Job-Seeker Survey (employed and unemployed job seekers)

- Chart 1 shows the top five reasons workers keep a job or stay with an employer
- Chart 2 shows the top five reasons workers leave a job or an employer



Hiring – Best Practices

- Develop long-term approach to hiring
- Be creative – use non-traditional sources, such as employee referrals or re-recruit former good employees. Recruit continuously.
- SCREEN – SCREEN – SCREEN
- Use team interviews to determine organizational fit, to

obtain staff buy-in, and to ensure new hire's success.

Retention – Best Practices

- Start new hire out right (create long-term, productive employees)
- Plan a good orientation program – introduce new hire to leaders, train and coach new employee, ensure he or she fits in.
- Implement leadership accountability – leaders must hire right and keep employees happy.

Train managers/leaders in employee selection and retention.

- Leaders must be highly visible and accessible.
- Tie retention to manager's performance.
- Provide fair compensation
 - » Wages, benefits, bonuses.
 - » Recognition and involvement.
 - » Awards and Thank You's.
 - » Involve employee in decision-making, company goals, etc.
 - » Build fun and camaraderie.

Bottom Line

- Determine what works in your business, with your workers, in your labor market.
- Design a hiring and retention program that works for your business based on:
 - » Workers' motivations.
 - » Local labor market conditions.
 - » Business needs.
- Be prepared to make adjustments if any of the above conditions change.

For more information about this, or future Business Roundtables, contact the Pocatello Job Service office at 235-5420 or e-mail unemploy27@labor.state.id.us

AREA ECONOMIC DEVELOPMENTS

- Construction began on a \$2.8 million L.D.S. Church Stake Center. The 26,500 square-foot center is being built on Bartz Way near the Idaho State University Campus in Pocatello.
- Two new restaurants opened in Bannock County: The Super China Buffet on Yellowstone in Pocatello, and the China Buffet on Burnside Avenue in Chubbuck.
- Carla and Arv Aho opened Aho's Espresso Deli at 835 Washington in Montpelier. The business offers specialty coffees and sodas, and deli sandwiches.
- Spudnik Equipment Company of Blackfoot has entered into a joint venture with Germany based Grimme Agricultural Equipment Company. The joint venture, which becomes effective in 2002, should help increase Spudnik's global market and sales.

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